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GENERALIZED SYSTEM OF PREFERENCES

Scheme of Norway

Amendment

The UNCTAD secretariat has received a communication from the Government of Norway, as attached.

GE.00-50472

Regulation concerning the origin of goods, etc. under the Generalized System of Preferences (GSP) for the import of goods from developing countries

Promulgated on 20 February 1998 by the Norwegian Ministry of Finance and Customs pursuant to Section 2, subsection 3, fourth paragraph, of the introductory provisions of the customs tariff, cf. Decision of the Norwegian Parliament (Stortinget) of 15 June 1971 and Royal Decree No. 3 of 3 September 1971, concerning the generalized system of preferences for the import of goods from developing countries.

Chapter I. General provisions

Section 1. Definitions

For the purposes of this regulation:

1. *manufacture* means any kind of working or processing, including assembly or specific operations;
2. *material* means any ingredient, raw material, component or part, etc., used in the manufacture of the product;
3. *product* means the product being manufactured, even if it is intended for later use in another manufacturing operation;
4. *goods* means both materials and products;
5. *customs value* means the value as determined on the basis of regulations issued by the Norwegian Ministry of Finance and Customs in accordance with the Agreement on implementation of Article VII of the General Agreement on Tariffs and Trade (WTO Agreement on customs valuation);
6. *ex-works price* means the price paid to the manufacturer in whose undertaking the last working or processing is carried out, provided the price includes the value of all materials used, minus any internal taxes which are, or may be, repaid when the product obtained is exported;
7. *value of materials* means the customs value at the time of importation of the originating or non-originating materials used or, if this is not known and cannot be ascertained, the first ascertainable price paid for the materials in the country of manufacture;
8. *chapters and headings* mean the chapters and the headings (four-digit codes) used in the nomenclature which makes up the Harmonized Commodity Description and Coding System (the Harmonized System);
9. *classified* refers to the classification of a product or material under a particular heading;
10. *consignment* means products which are either sent simultaneously from one exporter to one consignee or covered by a single transport document covering their shipment from the exporter to the consignee or, in the absence of such a document by a single invoice;
11. *approved exporter* means a Norwegian exporter authorized by Norwegian customs authorities to issue invoice declarations;
12. *GSP-country* refers to those beneficiary developing countries or territories included at any given time in the list of countries published by Norwegian customs authorities;

13. *form A* means proof of origin in the form of a certificate of origin Form A, in the format and with the content specified at any given time;
14. *invoice declaration* means proof of origin in the form of a declaration or an invoice, with the content specified at any given time;
15. *EUR.1* means proof of origin in the form of a movement certificate EUR.1, in the format and with the content specified at any given time.

Chapter II. Originating products

Section 2. Origin criteria

A product shall be considered as originating in a GSP-country if it has been:

1. wholly obtained in that country in accordance with section 3; or
2. obtained in that country in the manufacture of which products other than those referred to in subparagraph 1 are used, provided that said products have undergone sufficient working or processing in accordance with section 4.

Products originating in Norway exported to a GSP-country and which are subject to working or processing there going beyond the processes referred to in section 5 shall be considered as originating in that GSP-country.

The Norwegian Ministry of Finance and Customs may implement an arrangement whereby products originating in the European Community or Switzerland which are exported to a GSP-country and which, in the GSP-country concerned, are subject to working or processing going beyond the processes referred to in section 5, shall be considered as originating in that GSP-country. If serious trade distortions or other inadvertent effects should arise, the Norwegian Ministry of Finance and Customs may decide that preferential tariff treatment under this provision shall cease with immediate effect.

When determining whether a product is originating in Norway, the Community or Switzerland, the provisions of the first paragraph shall apply *mutatis mutandis*.

Section 3. Wholly obtained products

For the application of subparagraph 1 of the first paragraph of section 2, the following products shall be considered as wholly obtained in a GSP-country:

1. mineral products extracted from its soil or from its seabed;
2. vegetable products harvested there;
3. live animals born and raised there;
4. products from live animals raised there;
5. products obtained by hunting or fishing conducted there;
6. products of sea fishing and other products taken from the sea outside its territorial waters by its vessels;

7. products made on board its factory ships exclusively from the products referred to in subparagraph 6;
8. used articles collected there fit only for the recovery of raw materials;
9. waste and scrap resulting from manufacturing operations conducted there;
10. products extracted from the seabed or marine subsoil outside its territorial waters provided that the country has sole rights to exploit that seabed or subsoil;
11. goods produced there exclusively from products specified in subparagraphs 1 to 10.

The terms *its vessels* and *its factory ships* in subparagraphs 6 and 7 of the first paragraph of this section 3 shall apply only to vessels and factory ships:

1. which are registered or recorded in the GSP-country concerned;
2. which sail under the flag of that country;
3. which are owned to the extent of at least 50% by nationals of that GSP-country or by a company having its head office in that country, of which the managing director, chairman of the board of directors or of the supervisory board, and the majority of the members of such boards are nationals of that country and, in addition, in the case of partnerships or limited companies, of which at least half the capital belongs to the country or to public bodies or nationals of that country;
4. of which the master and officers are nationals of that country; and
5. of which at least 75 per cent of the crew are nationals of that GSP-country.

Vessels operating on the high seas, including factory ships, on which the fish caught is worked or processed shall be considered as part of the territory of the GSP-country to which they belong, provided that they satisfy the conditions set out in the second paragraph.

Section 4. Sufficiently worked or processed products - processing list

The processing list is a list of the working or processing required to be carried out on non-originating materials used in order to confer originating status on the product obtained. The processing list applicable at any time is published by Norwegian customs authorities.

For the purpose of subparagraph 2 of the first paragraph of section 2, non-originating materials are considered to be sufficiently worked or processed in a GSP-country when the product obtained is classified under a heading which is different from those under which all the non-originating materials used in its manufacture are classified. However, this provision does not apply if otherwise provided for by paragraph 3 below or by section 5. The introductory notes to the processing list shall apply to all products obtained where non-originating products are used, even if these products are not subject to specific provisions laid down in the processing list, but are instead subject to the provisions of this paragraph.

Products referred to in columns 1 and 2 of the processing list shall be considered to be sufficiently worked or processed in a GSP-country when the conditions set out in column 3 of that list have been satisfied. Non-originating materials may nonetheless be used, provided that the total value of the materials used does not exceed 5 per cent of the ex-works price of the product. However, this provision does not apply if otherwise provided for by section 5. Any percentages set out in the processing list for

the maximum value of non-originating materials that may be used may not, however, be exceeded through the application of this provision.

The provision laid down in the second and third sentence of the third paragraph does not apply to products falling within chapters 51-63 of the Harmonized System.

Section 5. Insufficient working or processing

For the purpose of implementing section 2, the following operations shall be considered as insufficient working or processing to confer originating status on a product, whether or not the requirements of section 4 are satisfied:

1. operations to ensure the preservation of products in good condition during transport and storage (ventilation, spreading out, drying, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operations);
2. simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of a range or set of articles), washing, painting, cutting up, etc.;
3. changes of packaging, breaking-up and assembly of packages, simple placing in bottles, flasks, bags, cases, boxes, fixing on cards or boards, etc., and all other simple packing operations;
4. affixing of marks, labels or other like distinguishing signs on products or their packaging;
5. simple mixing of products, whether or not of different kinds, where one or more of the components of the mixture do not meet the conditions laid down in this regulation to enable them to be considered as originating products;
6. simple assembly of parts to constitute a complete product;
7. a combination of two or more of the operations specified in subparagraphs 1 to 6; and
8. slaughter of animals.

Section 6. Regional cumulation of origin

The Norwegian Ministry of Finance and Customs may consent to countries belonging to a single regional group of countries being exempted from the rules of section 2 pursuant to the provisions below.

When products originating in a country being a member of a regional group are worked or processed in another country of the same regional group, they shall be considered as originating in the country where the last working or processing has taken place, provided that the value added there exceeds the highest customs value of the products used originating in any one of the other countries of that regional group, and on the condition that the working and processing carried out in that country goes beyond that referred to in section 5. The value added means the ex-works price minus the customs value of each of the products used originating in another country of the regional group.

If the conditions laid down in the second paragraph have not been satisfied, the product concerned shall be considered to be originating in the country of the regional group which accounts for the highest customs value of the originating products coming from other countries of the regional group.

Products originating in a country of a regional group exported to Norway from another country of the same group without their being worked or processed beyond that referred to in section 5, retain their

origin. Notwithstanding section 14, products originating in a country of a regional group may be transported through another country of that group, whether or not further working or processing is carried out there.

The provisions of this paragraph are applicable only if:

1. the rules regulating trade in the context of regional cumulation between the countries of the regional group are identical to those laid down in this regulation; and
2. each country of the regional group has undertaken to comply with or ensure compliance with the provisions of these origin rules and to provide Norway and the other countries of the regional group the administrative cooperation necessary to ensure the correct issuance and control of Form A and the control of invoice declarations.

The provisions concerning administrative matters and verification of evidences of origin laid down in Chapter V shall apply *mutatis mutandis*.

A notification that all the countries of a regional group have undertaken the obligations referred to in paragraph 5 shall be communicated to the Norwegian Ministry of Foreign Affairs through the secretariat of the regional group concerned. Any approval of regional cumulation is published by the Norwegian customs authorities, also stating the date of entry into force.

Section 7. Unit of qualification

Units of qualification means the individual product units on which the assessment for obtaining originating status is based.

The unit of qualification shall be the particular basic unit of a product giving the product its essential character when determining classification using the nomenclature of the Harmonized System. When a product composed of a group or assembly of products is classified under a single heading, the whole constitutes the unit of qualification. When a consignment consists of a number of identical products classified under the same heading of the Harmonized System, each product must be assessed individually. Where, under the General Interpretative Rules of the Harmonized System, packaging is included with the product for classification purposes, it shall also be included for the purposes of determining origin.

Section 8. Accessories, spare parts and tools

Accessories, spare parts and tools dispatched with a piece of equipment, apparatus or vehicle which are part of the normal equipment and included in the price thereof or which are not separately invoiced shall be regarded as one unit with the piece of equipment, machine, apparatus or vehicle in question.

Section 9. Sets

Sets, as defined in the General Interpretative Rules of the Harmonized System, shall be considered as originating in a GSP-country when all the component parts are originating products. When a set is composed of both originating products and non-originating products, the set as a whole shall be regarded

as originating in the GSP-country concerned if the value of the non-originating products does not exceed 15 per cent of the ex-works price of the set.

Section 10. Neutral elements

In order to determine whether a product is originating in a GSP-country, it shall not be necessary to take into account the origin of energy and fuel, plant and equipment, machines and tools which might be used in the manufacture of the product, or goods which do not enter and which are not intended to enter into the final composition of the product.

Section 11. Derogations

The Norwegian Ministry of Finance and Customs may make exceptions from the origin rules of this regulation in favour of the least developed GSP-countries when the development of existing industries or the creation of new industries justifies it. The countries being recognized as being least developed GSP-countries are published by the Norwegian customs authorities. A derogation shall normally not be granted for more than two years at a time.

The examination of requests shall, in particular, take into account the ability of existing industry to continue its exports to Norway, whether there is a danger of closing down existing industry in the GSP-country concerned, whether a derogation would involve significant investments in the industry of that GSP-country and whether this would enable the rules of origin to be satisfied after a while, and the economic and social impact of a derogation, especially in respect of employment in the GSP-country concerned and in Norway. Further specific conditions may be laid down.

An application for derogation shall, in addition to a description of the finished product, include information covering in particular:

1. the nature and quantity of materials originating in a third country;
2. manufacturing processes;
3. the value added;
4. the number of employees in the enterprises concerned;
5. the anticipated volume of exports to Norway;
6. other possible sources of supply for raw materials;
7. the duration of derogation requested and the reasons therefore; and
8. other important observations.

The provisions of section 11 apply, *mutatis mutandis*, to applications for extensions.

Where use of a given derogation is made, box 4 of a Form A or the invoice declaration must be endorsed with one of the following phrases:

"DEROGATION - Decision ... (year/number) and date" (English version), or
"DÉROGATION - Décision ... (année/numéro) et date" (French version).

Chapter III. Territorial requirements, transport, etc.

Section 12. The principle of territoriality

The conditions set out in section 2 as to the acquisition of originating status shall be satisfied without interruption in a GSP-country or in Norway. Without prejudice to sections 6 and 13, the acquisition of originating status shall be regarded as interrupted when products having undergone working or processing in a GSP-country or Norway have left the respective countries' territories, irrespective of whether or not operations have been carried out outside these territories.

Section 13. Re-importation of goods

Where originating goods exported from a GSP-country or Norway to another country are returned, they must be considered as non-originating. This does not apply if otherwise provided for in section 6, or where it can be demonstrated to the satisfaction of the competent authorities of the GSP-country, or to the Norwegian customs authorities, that the goods returned are the same goods as those exported, and that they have not undergone any operations beyond that necessary to preserve them in good condition while being in that country or while being exported.

Section 14. Direct transport

Goods originating in a GSP-country according to the provisions of the first paragraph of section 2 must be transported directly from the GSP-country to Norway. Goods originating in Norway, in the European Community or in Switzerland according to the provisions of the second and third paragraphs of section 2 must be transported directly to the GSP-country concerned.

Goods shall be considered as transported directly when they:

1. have been transported without passing through the territory of any other country;
2. constitute one single consignment transported through territories other than those belonging to the GSP-country concerned with, should the occasion arise, transshipment or temporary warehousing in such countries, provided that they remain under the surveillance of the customs authorities in the country of transit or of warehousing and have not undergone operations other than unloading, reloading or any operation designed to preserve them in good condition;
3. have been transported by pipeline without interruption across the territory of other countries;
4. originate in a regional group and have been transported through the territory of other countries of the same regional group in cases where section 6 applies, irrespective of whether or not further working or processing takes place there; or
5. have been transported through the territory of the European Community or Switzerland, with or without temporary warehousing in these territories, and subsequently re-exported in full or in part to Norway or to the GSP-country, provided that the goods have remained under the surveillance of the customs authorities of the country of transit or warehousing and have not undergone operations other than unloading, reloading or any operation designed to preserve them in good condition.

Evidence that the conditions specified in subparagraph 2 of the second paragraph have been fulfilled shall be provided by submitting to the Norwegian customs authorities:

1. a single transport document issued in the GSP-country concerned, covering the passage from the exporting country through the country of transit; or
2. a certificate issued by the customs authorities of the country of transit
   a) giving an exact description of the goods,
   b) stating the dates of unloading and reloading of the goods and, where applicable, identifying the means of transport used, and
   c) certifying the conditions under which the goods remained in the country of transit; or
3. in the absence of the above-mentioned documentation, any substantiating evidence.

On transportation of goods originating in Norway, the European Community or Switzerland, in accordance with the second and third paragraphs of section 2, the provisions of the second paragraph above shall apply, *mutatis mutandis*. Documentation proving that the conditions specified in subparagraph 5 of the second paragraph have been satisfied shall be provided by presenting to the Norwegian customs authorities a replacement certificate issued in accordance with the provisions of section 21.

Section 15. Exhibitions

Products sent from a GSP-country for exhibition in another country and which after the exhibition are imported into Norway shall on importation be considered as originating in the GSP-country concerned, provided that the products meet the requirements of this regulation entitling them to be recognized as originating products and provided that it is shown to the satisfaction of the Norwegian customs authorities that:

1. an exporter has consigned these products directly from the GSP-country concerned to the country in which the exhibition is held, and has exhibited them there;
2. the products have been sold or otherwise disposed of by that exporter to a recipient in Norway;
3. the products have been consigned directly to Norway during the exhibition or immediately thereafter in the same state in which they were sent for exhibition; and
4. the products have, since they were consigned for exhibition, not been used for any purpose other than demonstration at the exhibition.

A Form A shall be submitted to Norwegian customs authorities in the normal manner. The name and address of the exhibition shall be indicated thereon. Where necessary, additional documentary evidence of the nature of the products and the conditions under which they have been exhibited may be required.

This section shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display during which the products remain under customs control. It does not apply to exhibitions organized for private purposes in shops or business premises with a view to the sale of foreign products.

Chapter IV. Proof of origin

Section 16. General conditions

Evidence that a product originates in a GSP-country in accordance with section 2 must on importation to Norway be provided by presenting either:

1. a Form A issued by the exporter in a GSP-country in accordance with the provisions of sections 17, 18, 19, 20 and 21; or
2. an invoice declaration made out by the exporter in a GSP-country in accordance with the provisions of section 22, provided that the value of the originating products in the consignment does not exceed NOK 25 000.

Where goods are exported from Norway, the European Community or Switzerland for working or processing in a GSP-country in accordance with the second or third paragraph of section 2, documentary evidence of their origin must be submitted as laid down in section 23.

Section 17. Issuance of Form A

In order to be valid a Form A must be endorsed by the competent authorities of the GSP-country. The endorsement may be made only upon application from the exporter.

The exporter shall submit with his application any appropriate supporting document proving that the products to be exported qualify for the issuance of a Form A. Form A shall be made out in English or French. It shall be filled in using a typewriter or by other technical means. Any handwritten information shall be completed in ink and in printed characters. The completion of box 2 (consignee) of the certificate is optional. Box 7 for the description of goods must be completed in such a manner as to exclude any possibility of subsequent fraudulent additions. The description of goods must be filled in without leaving any blank lines. Where the box is not entirely filled in, a horizontal line shall be drawn immediately below the last line of the description and the empty space crossed through. Box 12 must be duly completed by indicating. Norway as the importing country. The date of issue of a Form A shall appear in box 11. The signature to be entered in that box, reserved for the competent authorities of the GSP-country endorsing the certificate, must be handwritten.

The competent authorities in the GSP-country shall ensure that the certificate and the application are duly completed. Furthermore, they shall verify the origin of the products and check that the information given in the certificate is correct. Unless otherwise provided for in section 6, the certificate shall be endorsed only if the products to be exported can be considered as having their origin in the GSP-country in accordance with the provisions of this regulation.

A Form A shall be made available to the exporter as soon as the exportation has been actually effected or has been ensured.

For the purposes of verifying whether the conditions stated in the second paragraph have been met, the competent authorities of the GSP-country shall have the right to call for any documentary evidence or to carry out any check which is considered necessary.

For the purposes of subsequent control of a Form A, the competent authorities of the GSP-country shall keep a copy of the certificate and of any supporting documentary evidence and related export documents for at least three years.

Section 18. Cumulation of origin involving products originating in Norway, the European Community or Switzerland

When the competent authorities of the GSP-country are to endorse a Form A for products having acquired originating status through the application of the second and third paragraphs of section 2, they shall rely on EUR.1 movement certificates or invoice declarations issued or made out in Norway, the European Community or Switzerland.

When endorsing a Form A according to the first paragraph, box 4 of the certificate shall contain one of the following expressions: "NORWAY CUMULATION", "EC CUMULATION" OR "SWITZERLAND CUMULATION" (English versions), or "CUMUL NORVÈGE", "CUMUL CE" or "CUMUL SUISSE" (French versions).

The second paragraph shall apply, *mutatis mutandis*, to any invoice declaration made out in accordance with the provisions of section 22.

Section 19. Form A issued retrospectively

The competent authorities of the GSP-country may exceptionally issue a Form A after the exportation of the products to which it relates, if a certificate of origin was not issued at the time of exportation because of errors or accidental omissions or other special circumstances, or it is demonstrated to the satisfaction of the competent authorities of the GSP-country that a certificate of origin having been issued was not accepted on importation due to technical reasons.

For the purposes of the first paragraph the exporter must indicate in the application the place and date of exportation of the products to which the certificate relates and state the reasons for the request.

The competent authorities of the GSP-country may issue a certificate retrospectively only after verifying that the particulars contained in the exporter's application conform with those contained in the corresponding export documents.

A Form A issued retrospectively must in box 4 contain one of the following expressions: "ISSUED RETROSPECTIVELY" (English version), or DÉLIVRÉ À POSTERIORI" (French version).

Section 20. Issuance of a duplicate Form A

In the event of the theft, loss or destruction of a Form A, the authorities which issued the certificate may, upon the exporter's request, issue a duplicate on the basis of the export documents in their possession. The duplicate must bear the date of issuance of the original certificate and shall take effect as from that date.

A duplicate Form A must in box 4 contain the word "DUPLICATE" (English version) or "DUPLICATA" (French version).

Section 21. Issuance of a replacement certificate Form A

Norwegian customs authorities may at any time replace a Form A by one or more other Form A, provided this is done at the customs office under whose control the products are placed. A replacement certificate Form A may be issued only upon the importer's request.

Upon application from the re-exporter, Norwegian customs authorities may issue a replacement certificate Form A if the products are going to be re-exported from Norway to the European Community or to Switzerland as a whole or in the form of split consignments. The origin of the products musts be documented by a Form A issued by the competent authorities of a GSP-country for exports to Norway. It is a precondition that Norway and the country to which the goods are being re-exported have the same rules of origin for the products in question and that they are the products which, while in Norway, have been continuously under customs control.

The second paragraph does not however apply if the products were exported to Norway under the terms of the derogation-provision laid down in section 11.

Similarly, and under the same terms as those referred to in the second paragraph, the customs authorities in the European Community or Switzerland may issue a replacement certificate Form A when products originating in a GSP-country are re-exported to Norway.

A replacement certificate Form A shall be regarded as the definitive certificate of origin for the products to which it refers.

When issuing a replacement certificate Form A, Norwegian customs authorities shall base themselves on the details given in a previously issued Form A. The replacement certificate shall be endorsed by Norwegian customs authorities.

The customs office, which is requested to perform the question, shall on the original certificate note the numbers, quantity, nature and weights of the products forwarded as well as the serial numbers and date of issue of the replacement certificates. The Norwegian customs authorities shall keep the original certificate for at least three years for the purposes of subsequent control.

A copy of the original certificate of origin may be annexed to the replacement certificate. The top right-hand box of the replacement certificate shall indicate the name of the country where the replacement certificate is issued. Box 4 shall contain the words "REPLACEMENT CERTIFICATE" (English version) or "CERTIFICAT DE REMPLACEMENT" (French version), as well as the serial number and date of issue of the original certificate. The name of the re-exporter shall be given in box 1. Reference to the re-exporter's invoice must be given in box 10. The name of the final consignee may be given in box 2. All particulars regarding the re-exported products appearing in boxes 3 to 9 on the original certificate must be transferred to the replacement certificate. The quantity, nature and gross weight or other measure of the products concerned must be given in boxes 7 and 9. The customs office issuing a replacement certificate shall endorse the certificate in box 11. The responsibility of that customs office is confined to the mere issuance of the replacement certificate. The particulars concerning the country of origin and the country of destination shall be transferred from the original certificate of origin to box 12 of the replacement certificate. Box 12 shall be signed by an authorized person of the company

making out the replacement certificate. The person who in this way signs a replacement certificate in good faith shall not be responsible for the accuracy of the particulars entered on the original certificate.

Section 22. Content and format of invoice declaration

An invoice declaration may be made out:

1. by an approved exporter in Norway; or
2. by any exporter in a GSP-country or in Norway for consignments consisting of one or more packages containing originating products of a value not exceeding NOK 25 000.